

KEEGAN WERLIN LLP

ATTORNEYS AT LAW  
265 FRANKLIN STREET  
BOSTON, MASSACHUSETTS 02110-3113

(617) 951-1400

TELECOPIERS:

(617) 951-1354

(617) 951-0586

January 20, 2006

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02110

Re: NSTAR Electric - D.T.E. 05-84 Compliance Filing

Dear Ms. Cottrell:

Pursuant to the final order of the Department of Telecommunications and Energy (the "Department") in the above-referenced proceeding, please find attached on behalf of Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company, d/b/a NSTAR Electric ("NSTAR Electric" or the "Companies") the following proposed compliance tariffs relating to the Companies' respective Terms and Conditions for Distribution Services and Competitive Suppliers, for effect February 1, 2006:

- M.D.T.E. No. 100A Boston Edison Company
- M.D.T.E. No. 101A Boston Edison Company
- M.D.T.E. No. 200A Cambridge Electric Light Company
- M.D.T.E. No. 201A Cambridge Electric Light Company
- M.D.T.E. No. 300A Commonwealth Electric Company
- M.D.T.E. No. 301A Commonwealth Electric Company.

Consistent with the Department's order in this proceeding, NSTAR Electric is revising its Terms and Conditions to address the practice of certain retail competitive suppliers switching large Commercial and Industrial customers on and off Basic Service multiple times within a short period, in an effort to take advantage of price fluctuations in the retail generation market (*i.e.*, "gaming"). As referenced in the Companies' December 29, 2005 Reply Comments filed in this proceeding, the Companies' proposal is directed at prohibiting certain customers that have switched to Basic Service from retail competitive supply from returning to their most recent retail supplier within six months of the customer's switch to Basic Service. In order to give effect this policy, the attached

compliance Terms and Conditions tariffs include the language proposed by the Companies in their December 29, 2005 Reply Comments,<sup>1</sup> as follows:

⇒ **NSTAR Electric Terms and Conditions-Distribution Services**

5F. Generation Source

The Company shall reasonably accommodate a change from Standard Offer Service, Default Service or Generation Service to a new Competitive Supplier in accordance with the Terms and Conditions for Competitive Suppliers, and shall accommodate a change to Standard Offer Service or Default Service from Generation Service; provided, however, that when a Customer changes from a Competitive Supplier to Default Service, unless the Customer or the Customer's applicable Competitive Supplier can demonstrate to the Company's reasonable satisfaction that the Customer has been placed on Default Service upon the expiration of a contract with such Competitive Supplier, the Customer is not permitted to return to the same Competitive Supplier for a period of six (6) months from the effective date of the change. Customers are permitted to switch from Default Service to a different Competitive Supplier who has not supplied the Customer with Generation Service in the same six (6) month period.

⇒ **NSTAR Electric Terms and Conditions-Competitive Supply**

3A. Customer

A Customer shall select one Competitive Supplier for each account at any given time, or authorize an agent to make the selection for the Customer, for the purposes of the Distribution Company (1) reporting the Customer's hourly electric consumption to the ISO-NE, and (2) providing billing services. The Customer must provide the selected Competitive Supplier with the information necessary to allow the Competitive Supplier to initiate Generation Service, in accordance with Section 5A, below. A Customer may choose only a Competitive Supplier that is licensed by the M.D.T.E.

The Company shall reasonably accommodate a change from Default Service or Generation Service to a new Competitive Supplier in accordance with the Terms and Conditions for Competitive Suppliers, and shall accommodate a change to Default Service from Generation Service; provided, however, that when a Customer changes from a Competitive Supplier to Default Service, unless the Customer or the Customer's applicable Competitive Supplier can demonstrate to the Company's reasonable satisfaction that the Customer has been placed on Default Service upon the expiration of a contract with such Competitive Supplier, the Customer is not permitted to return to the same Competitive Supplier for a period of six (6) months from the effective date of the change. Customers are permitted to switch from Default Service to a different Competitive Supplier who has not supplied the Customer with Generation Service in the same six (6) month period.

Nothing in these Terms and Conditions shall prohibit a Customer from entering into arrangements with multiple suppliers, provided that a single Competitive Supplier is designated for the purposes described above.

---

<sup>1</sup> This tariff language is the same as offered in the Companies' December 29, 2005 Reply Comments, redlined to reflect revisions made to the Companies' initial proposed Terms and Conditions filed on November 21, 2005. The attached tariffs are clean versions of the Terms and Conditions, as revised.

In the context of approving NSTAR Electric's "anti-gaming" proposal, the Department directed the Companies to clarify for the Department and parties that will be subject to the Companies' Terms and Conditions the means by which the Companies will implement the "anti-gaming" policy. NSTAR Electric, D.T.E. 05-84, at 17, n.4. The Department's directive seeking clarification relates to the Companies' proposed tariff language allowing a retail supplier or a Basic Service customer to "demonstrate to the Company's reasonable satisfaction" that the customer switched to Basic Service at the expiration of a contract with the customer's most recent retail supplier. The Department's order at note 4 directed the Companies to clarify that this demonstration:

will be upon express and particular request from the company and that customer enrollment transactions will occur consistent with the appropriate Massachusetts Electric Business Transaction ("EBT") Standards. The Department expects NSTAR Electric will employ a procedure focused on particular cases, as needed, so as not to encumber all market transactions with unnecessary proofs or documentation.

Consistent with the Department's directive, NSTAR Electric will implement its revised Terms and Conditions as follows. For those Basic Service customers that seek to enroll with a retail competitive supplier, the Companies' billing system will identify whether their past service with that particular supplier occurred during the previous six months. If past enrollment with that supplier is detected, the enrollment will be flagged and the enrolling supplier will be contacted via the EBT. The enrolling supplier will then have the opportunity to provide NSTAR Electric with sufficient documentation demonstrating that the customer's prior contract with the supplier had expired. Upon such demonstration, the Companies will enroll the customer manually with the enrolling supplier.

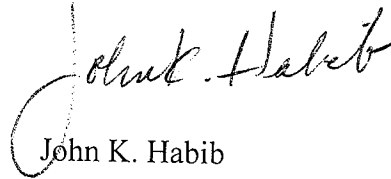
If the latest switch by the supplier is not at the end of the applicable contract term, the customer will not be enrolled with that same supplier. However, as stated above, the customer will remain on Basic Service and will be permitted to select a different competitive supplier at any time. The Companies have a well-established process for seeking and receiving documentation from enrolling suppliers, e.g., in the context of providing the Companies with signed customer authorizations to enroll. Accordingly, this process is consistent with the established EBT process and will not affect the vast majority of market transactions that occur on the NSTAR Electric system on a regular basis.<sup>2</sup>

<sup>2</sup>

Please note that the Companies are presenting their enforcement protocols in this letter, rather than in the Terms and Conditions, because of the detail necessary to notify affected parties of this policy.

Please do not hesitate to contact me if you have any questions regarding the filing.

Very truly yours,



John K. Habib

cc: Jeanne Voveris, Hearing Officer  
Ron LeComte, Director, Electric Power Division  
Joseph Rogers, Chief, Utilities Division, Office of the Attorney General  
Colleen McConnell, Assistant Attorney General  
Jean-Paul St. Germain, Sempra Energy Trading  
Jeremy Wodakow, J. Aron & Company  
D.T.E. 05-84 Service List

Enclosures